

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01982A
White Hills Water Co., Inc.
1050 Highway 95
Bullhead City AZ 86429

ANNUAL REPORT

RECEIVED

JUL 14 2003

FOR YEAR ENDING

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

12	31	2002
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FOR COMMISSION USE

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*Entered
1-17-03
C-M*

COMPANY INFORMATION

Company Name (Business Name) WHITE HILLS WATER COMPANY, INC.

Mailing Address 1050 HIGHWAY 95

(Street)

BULLHEAD CITY

(City)

AZ

(State)

86429

(Zip)

928-754-8101

Telephone No. (Include Area Code)

928-754-8103

Fax No. (Include Area Code)

Pager Cell No. (Include Area Code)

Email Address Mellabs@citlink.net

Local Office Mailing Address 1050 HIGHWAY 95

(Street)

BULLHEAD CITY

(City)

AZ

(State)

86429

(Zip)

928-754-8101

Local Office Telephone No. (Include Area Code)

928-754-8103

Fax No. (Include Area Code)

Pager Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: V. DAVID ARTHUR

(Name)

PRESIDENT

(Title)

1050 HIGHWAY 95

(Street)

BULLHEAD CITY

(City)

AZ

(State)

86429

(Zip)

928-754-8103

Telephone No. (Include Area Code)

928-754-8103

Fax No. (Include Area Code)

Pager Cell No. (Include Area Code)

Email Address _____

On Site Manager: V. DAVID ARTHUR

(Name)

1050 HIGHWAY 95

(Street)

BULLHEAD CITY

(City)

AZ

(State)

86429

(Zip)

928-754-8103

Telephone No. (Include Area Code)

928-754-8103

Fax No. (Include Area Code)

Pager Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Richard L. Sallquist

(Name)

2525 E. Arizona Biltmore Circle Phoenix

(Street)

(City)

AZ
(State)

85016-2129
(Zip)

602-224-9222

Telephone No. (Include Area Code)

602-224-9366

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Richard L. Sallquist

(Name)

2525 E. Arizona Biltmore Circle Phoenix

(Street)

(City)

AZ
(State)

85016-2129
(Zip)

602-224-9222

Telephone No. (Include Area Code)

602-224-9366

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe)

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☒ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	\$10,114	\$10,114	\$0
302	Franchises			
303	Land and Land Rights	969	0	969
304	Structures and Improvements	2,575	2,575	0
307	Wells and Springs	42,437	18,106	24,331
311	Pumping Equipment	27,074	12,489	14,585
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	4,581	573	4,008
331	Transmission and Distribution Mains	27,054	13,602	13,452
333	Services			
334	Meters and Meter Installations	9,147	2,118	7,029
335	Hydrants	185	23	162
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	2,613	2,613	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	2,500	2,500	0
348	Other Tangible Plant			
	TOTALS	129,249	64,713	64,536

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	10,114	20.00%	2,023
302	Franchises	0	0.00%	0
303	Land and Land Rights	969	0.00%	0
304	Structures and Improvements	2,575	0.00%	0
307	Wells and Springs	42,437	1.50%	635
311	Pumping Equipment	27,074	1.24%	336
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	4,581	2.51%	115
331	Transmission and Distribution Mains	27,054	1.25%	339
333	Services			
334	Meters and Meter Installations	9,147	1.13%	103
335	Hydrants	185	2.70%	5
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	2,613	0.00%	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	2,500	20.00%	500
348	Other Tangible Plant			
	TOTALS	129,249		4,056

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 540	\$ 1,774
134	Working Funds	0	
135	Temporary Cash Investments	0	
141	Customer Accounts Receivable	0	
146	Notes/Receivables from Associated Companies	0	
151	Plant Material and Supplies	0	
162	Prepayments	0	
174	Miscellaneous Current and Accrued Assets	0	
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 540	\$ 1,774
	FIXED ASSETS		
101	Utility Plant in Service	\$ 111,668	\$ 129,249
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	(60,657)	(62,037)
121	Non-Utility Property	2,500	2,500
122	Accumulated Depreciation – Non Utility	(2,000)	(2,500)
	TOTAL FIXED ASSETS	\$ 51,511	\$ 67,212
	TOTAL ASSETS	\$ 52,051	\$ 68,986

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 30,053	\$ 18,366
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	0	0
236	Accrued Taxes	0	0
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	2,400	16,800
	TOTAL CURRENT LIABILITIES	\$ 32,453	\$ 35,166
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 0	\$ 0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	0	0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$ 0	\$ 0
	TOTAL LIABILITIES	\$ 32,453	\$ 35,166
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value	30,026	30,026
215	Retained Earnings	(10,428)	3,794
218	Proprietary Capital (Sole Props and Partnerships)		0
	TOTAL CAPITAL	\$ 19,598	\$ 33,820
	TOTAL LIABILITIES AND CAPITAL	\$ 52,051	\$ 68,986

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 39,710	\$ 37,911
460	Unmetered Water Revenue	16,236	6,587
474	Other Water Revenues	0	8,271
	TOTAL REVENUES	\$ 55,946	\$ 52,769
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 14,700	\$ 18,000
610	Purchased Water	0	570
615	Purchased Power	4,164	2,559
618	Chemicals	0	0
620	Repairs and Maintenance	3,866	17,293
621	Office Supplies and Expense	557	877
630	Outside Services	10,624	5,677
635	Water Testing	888	766
641	Rents	1,349	606
650	Transportation Expenses	2,530	267
657	Insurance - General Liability	191	5
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense - Rate Case	0	1,000
675	Miscellaneous Expense	4,613	1,000
403	Depreciation Expense	3,766	4,056
408	Taxes Other Than Income	4,906	3,083
408.11	Property Taxes	0	0
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	\$ 52,154	\$ 55,759
	OPERATING INCOME/(LOSS)	\$ 3,792	\$ (2,990)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$
421	Non-Utility Income	0	
426	Miscellaneous Non-Utility Expenses	0	
427	Interest Expense	0	
	TOTAL OTHER INCOME/(EXPENSE)	\$ 0	\$
	NET INCOME/(LOSS)	\$ 3,792	\$ (2,990)

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME WHITE HILLS WATER COMPANY, INC.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
4-2196	5	25		8 5/8		1962
	5	25		8 5/8		1996

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
1 1/2	1		
1 1/2	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
12,000	1	80	2
20,000	1	80	3

COMPANY NAME WHITE HILLS WATER CO. INC.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		10,800
3		9,826
4		14,000
5		
6		3,000
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	103
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

~~None~~
~~XXXX~~ Chlorination system unit #4

STRUCTURES:

Well house and pump house - Unit 1

~~Well house & pump house - Unit 4~~

OTHER:

None

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	70	136,630	137
FEBRUARY	72	178,600	179
MARCH	76	161,850	162
APRIL	70	213,450	190
MAY	73	244,140	205
JUNE	73	273,730	274
JULY	75	286,770	287
AUGUST	76	259,310	260
SEPTEMBER	76	268,220	269
OCTOBER	79	206,700	207
NOVEMBER	80	185,820	186
DECEMBER	81	137,450	138
TOTAL		N/A	

2552670 cmi

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. ≤ 0.003 mg/l Well #4
(If more than one well, please list each separately) 0.01 mg/l Well #1

Note: If you are filing for more than one system, please provide separate data sheets for each system.

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ -0-

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. Paid January 2003

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>(2,990)</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>(2,990)</u>
Estimated or Actual State Tax Liability	<u>50</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u></u>
Amount of Gross-Up Tax Collected	<u></u>
Total Grossed-Up Contributions/Advances	<u></u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

V. David Arthur
SIGNATURE

07/10/03
DATE

V. David Arthur
PRINTED NAME

PRESIDENT
TITLE

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED

JUL 14 2003

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	MOHAVE
NAME (OWNER OR OFFICIAL) TITLE	V. David Arthur, President
COMPANY NAME	WHITE HILLS WATER COMPANY, INC.

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

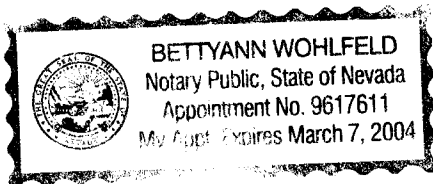
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:



Arizona IntraState Gross Operating Revenues Only (\$)

\$ 52,769

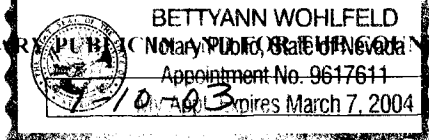
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2,442
IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

V. David Arthur
SIGNATURE OF OWNER OR OFFICIAL
928-754-8101
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC, Notary Public, State of Nevada, COUNTY OF
THIS 10-03 My Appt. Expires March 7, 2004 DAY OF



(SEAL)

MY COMMISSION EXPIRES

3-7-04

COUNTY NAME	CLARK NV
MONTH	7-10 2003
<i>Bettyann Wohlfield</i> SIGNATURE OF NOTARY PUBLIC	

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

JUL 14 2003

VERIFICATION

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) MOHAVE	
NAME (OWNER OR OFFICIAL) V. David Arthur	TITLE PRESIDENT
COMPANY NAME WHITE HILLS WATER COMPANY, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

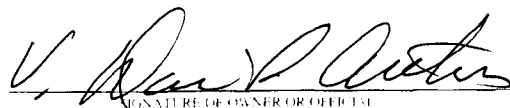
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 52,769

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 2,442
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

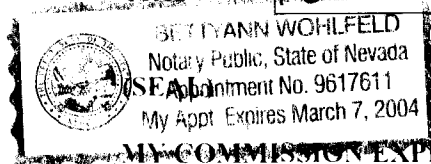
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15th

DAY OF

NOTARY PUBLIC NAME BETTYANN WOHLFELD	
COUNTY NAME CLARK NV	
MONTH JULY 10	2003



MY COMMISSION EXPIRES

3-7-04

X 
SIGNATURE OF NOTARY PUBLIC